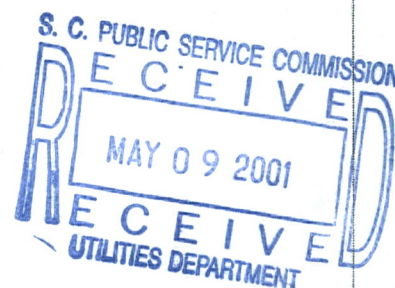
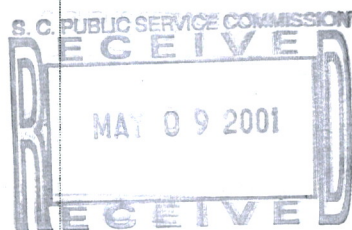


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***Application of***  
***Metropolitan Telecommunications of South***  
***Carolina, Inc. d/b/a MetTel***  
***for a Certificate of Public Convenience and***  
***Necessity to provide Local Exchange and***  
***Long Distance telecommunications***  
***services within the State of SC***

***Docket No. 2001-84-C***



***Testimony of***  
***David S. Lacoste***  
***Utilities Department***

RETURN DATE: *[Signature]*  
SERVICE: *[Signature]*

***Public Service Commission of South Carolina***

1 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND A DESCRIPTION OF**  
2 **YOUR BACKGROUND.**

3 A. I am David Lacoste. I received a BS Degree in Electrical Engineering from the  
4 University of South Carolina in 1978 and am employed by the Public Service  
5 Commission of South Carolina as an Engineer (Associate) within the Commission's  
6 Utilities Department. I am responsible for inspections and audits concerning  
7 telecommunications service quality and am extensively involved in the review of  
8 certification applications, tariffs and interconnection agreements.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. My testimony's purpose is to provide an analysis of Metropolitan Telecommunications  
11 of South Carolina's (d/b/a MetTel) filing and request for a Certificate of Public  
12 Convenience and Necessity to provide telecommunications services within South  
13 Carolina. I would also like to comment on the Company's proposed tariff and  
14 recommend a number of changes.

15 **Q. PLEASE DESCRIBE THE COMPANY AND ITS APPLICATION.**

16 A. Based on my review, MetTel desires certification to provide facilities-based local and  
17 resale interexchange telecommunications services within South Carolina. Included  
18 within the application is information concerning the company's Certificate of  
19 Incorporation (Delaware), a Certification of Authorization from the South Carolina  
20 Secretary of State's office, management qualifications of 7 people, a financial statement,  
21 a sample customer bill and a proposed tariff.

22 **Q. DOES THIS APPLICATION INDICATE REQUESTS FOR WAIVERS OF ANY**  
23 **OF THE COMMISSION'S TRADITIONAL RULES AND REGULATIONS?**

24 A. Yes. The Company has asked that its financial records be maintained according to  
25 Generally Accepted Accounting Principals (GAAP) instead of the traditional Uniform  
26 System of Accounts (USOA) regulatory method and that it not be required to keep these  
27 records in-state (R.103-610). The Application also contains a request that the Company  
28 not be required to publish a local exchange directory, as required in R.103-631. Finally,  
29 the Company has requested that it not be subjected to various reporting requirements.  
30 Staff feels that the Company should be required to file annual financial reports and  
31 quarterly local service quality reports (R 103-618 & 619), but is otherwise in agreement  
32 with these waiver requests.

1 **Q. DOES THIS APPLICATION CONTAIN REQUESTS CONCERNING FLEXIBLE**  
2 **AND / OR ALTERNATIVE REGULATION?**

3 A. Yes. Authority to operate under Flexible Regulation of local services, as described  
4 within Docket No. 97-467-C (certification of New South), is being requested. Flexible  
5 Regulation allows a maximum rate level tariff structure to be established with flexibility  
6 for adjustment below the maximums. Alternative Regulation of Interexchange Carrier  
7 (IXC) services, as defined in AT&T Docket No. 95-661-C, is also being requested.  
8 Maximum rates under Alternative Regulation would not be filed for long distance  
9 business service, consumer card and operator services. Tariff filings under both types of  
10 regulation would be presumed valid upon filing, but subject to the Commission's right to  
11 investigate. Both types of regulation are appropriate for this type of carrier and have  
12 been granted to other previously similarly certified companies.

13 **Q. PLEASE PROVIDE YOUR COMMENTS AND RECOMMENDATIONS**  
14 **CONCERNING THE COMPANY'S PROPOSED TARIFFS.**

15 A. The illustrative tariff filed as part of this Application covers an extensive variety of both  
16 Long Distance and Local service offerings. The Company's proposed basic local service  
17 current rates match BellSouth's rates. The tariff is well written in that it contains terms  
18 that appear to be generally consistent with this Commission's Rules and Regulations  
19 governing telecommunications utilities and other previously certified carriers. I am,  
20 however, recommending a number of modifications (as outlined in my Exhibit I) which  
21 should bring the tariff into full compliance with the Policies and Rules of this  
22 Commission.

23 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

24 A. Yes it does.

**EXHIBIT I**  
**IXC & LOCAL TARIFFS**

<b>Tariff Page / Reference</b>	<b>Problem / Recommendation</b>
Page 11 Section 2.4. 3 – <u>Payment of Charges</u>	Language should be inserted indicating that customer billing disputes and any subsequent billing adjustments will be handled in accordance with Commission Rule 103-623 (Adjustment of Bills). The reference indicating a <i>two month</i> limitation for customer objections should be deleted.
Page 12 - Section 2.4.4 – <u>Returned Check Charge</u>	Language should be inserted indicating that any returned charge is governed by state law (S.C. Code Ann. Section 34-11-70). \$15 should not be specified.
Page 13 - Section 2.4.6 – <u>Customer Overpayments</u>	Provisions concerning the payment of interest to customers in situations involving overpayment are not addressed within the Commission's Rules & Regulations. This language can be deleted.
Page 14 - Section 2.7.2 – <u>Surcharge for Gross Income / Earnings</u>	A long standing Commission policy is that end-user Gross Receipt taxes should not be imposed. Sales taxes, franchise and other similar fees are appropriate.
Pages 16 & 30– Sections 2.9 & 2.11.6 – <u>Suspension or Termination of Service</u>	Somewhere within these sections should be added a statement indicating that practices concerning service denials will conform with R.103-625, 626, 632 & 633.
Pages 26, 27 & 28 - <u>Deposits</u>	I suggest replacing language on all these pages with a statement indicating that all customer deposits will be collected, maintained and refunded (w/ appropriate interest) in accordance with R.103-621.
Page 33 – Section 2.11.12 – <u>Back-billing Customers</u>	I suggest adding a statement indicating that the company 's billing practices will conform with R.103-623 (Adjustment of Bills)
Pages 43 & 44 & Current Price List Page 142– <u>Inside Wire Installation &amp; Maintenance</u>	Inside wire is the customer's responsibility and not regulated. These references should be removed from the tariff.
Page 61-Section 5.4 - <u>Promotions</u>	Language indicating that the Commission will be advised of any special promotions or trials prior to implementation should be added.
Page 67 & Current Price List Page 144 – <u>Voice Mail</u>	Voice Mail is not a regulated offering. This reference should be removed.

**EXHIBIT I**  
**IXC & LOCAL TARIFFS**

<b>Tariff Page / Reference</b>	<b>Problem / Recommendation</b>
Page 69 & Current Price List Page 144 – <u>900 # Blocking Charges</u>	Blocking of 900 and 900-type calls should be free (see R.103-623.3 C)
Page 83 – <u>Rate Groups</u>	The table indicating 'Rate Class 1' should presumably be re-numbered Rate Class 1 thru 7. Also, a statement should be added indicating that the company's Rate Classes correspond with BellSouth's Rate Groups and local calling areas.
Page 120 – <u>LifeLine Service</u>	Typo – KSS should be DSS
Pages 134 thru 140 – <u>Listing of Local Calling Areas</u>	I suggest deleting these pages because local calling areas can occasionally change with implementation of additional Extended Area Service. A statement indicating that the company's Rate Classes correspond with BellSouth's Rate Groups would suffice as a replacement.